



# CONDOMINIUM ASSOCIATION

## Newsletter

November /  
December 2019

*"A self-managed and run community composed of a volunteer Board that works to keep costs low while striving to enhance property values and provide efficient leadership through open and honest communication."*

THE BOARD WISHES EVERYONE



## COMCAST 2020+ CONTRACT Comcast xfinity

As was outlined in the last newsletter for Sep/Oct 2019, the Board had previously voted to move forward and proceed with the negotiation of a retail agreement with Comcast. This negotiation has concluded favorably, with the official agreement signed and effective June 1, 2020.

While this outcome will not please everyone in Birch Pointe, the Board does believe that it represents the best possible outcome for the community going forward and was supported by the majority of those that provided their input. Comcast has committed resources to the community (closer to May/June) to help with the transition of individual owner accounts to ensure a seamless changeover. More information will be forthcoming in that time-frame.

As a quick recap, the "Retail Agreement" high points are:

- Full flexibility to **individual owners to choose** what level of service to purchase **directly from Comcast**. Each resident will be eligible for special Comcast promotions, packages, etc.
- **Birch Pointe will no longer be responsible for paying the bulk contract fee.**
- Comcast will pay Birch Pointe a one-time fee of \$50 per unit for the marketing rights in Birch Pointe along with a small revenue share based on the percentage of residents buying Comcast services directly. This will be added into the community's operating account.

## 2020 BUDGET AND HOA FEE



The Board has reviewed, discussed and ultimately passed the attached 2020 budget unanimously (5 aye, 1 absence) on December 10, 2019, ahead of the customary early January date.

Several factors impact the 2020 budget and make it unique from prior years' budgets.

**First**, 2020 will be the first year where Birch Pointe will no longer be servicing the M&T Bank loan starting July 1st. The loan, after eight years of on-time payments, will be satisfied and paid off. As a reminder, this loan was originally taken out in two stages of about \$1M each, for a combined balance of \$2.04M at its high point. The fundamental purpose of those loans was to perform large capital maintenance projects for which the community did not historically plan or budget during the early years of Birch Pointe. As a result, several special assessments occurred in the early and mid 2000's. When the last wave of maintenance projects came due, the loan obligation resulted at that time in lieu of yet another special assessment.

While the loan will be paid off next year, the Board feels strongly that any and all monies freed up by this must be ultimately reinvested into the community by saving for approaching major capital expense projects or accelerating existing ones such as balcony rebuilds. Future budgets will reflect this sentiment and this Board hopes that future Boards will take an equally responsible approach to financial management.

**Second**, as noted above, Birch Pointe is ending its bulk services agreement with Comcast as of May 2020 and will be under a retail agreement starting June 1st, 2020. This will result in a reduced operational expense for the community going forward. **This decrease in spend will be offset with a lowering of the ordinary monthly HOA fee from the current \$350/month to \$320/month starting on July 1, 2020.** The Board approved this change unanimously (5 aye, 1 absence). All incentive programs for electronic payment and pre-payment will remain in full force and may further reduce an individual owner's financial responsibilities.

It is with great pleasure that the Board announces this first-ever reduction in the condo fee while continuing to maintain, and in some cases increase, the level of service provided to the community. Birch Pointe's continued financial health is a direct result of the diligent work performed by Board volunteers as well as by its employees. The Board hopes to continue in this tradition well into the future so that everyone in the community may continue to take enjoyment in living here.

## **PARKING ENFORCEMENT 2020+**



While parking has dramatically improved in most areas since the introduction of the "Resident" parking spots, the Board has still received a continuous flow of complaints about violations in the past two years. It has become clear, that while the current "honor" based system has been working in parts of the community, it is not working for everyone and there are unquestionably cases of ongoing abuse.


As a result of this and in light of the ongoing favorable community financial circumstances, the Board has approved, as part of the 2020 budget, the creation and funding of a "Parking Enforcement" position. The Board envisions hiring a part-time, off-duty police officer to patrol the community at random during the evenings and on weekends to issue warnings – and ultimately fines – to repeat violators.

In parallel, updated hang-tags will be issued to replace the current ones which expire at the end of 2019. All current hang-tags will remain valid through at least January 17, 2020, with the new tags anticipated to be available for pick-up by January 6, 2020.

The Board hopes that this step will dramatically increase compliance with community parking rules in those areas that have exhibited difficulties to that respect.

## **WINTER SEASON IN BIRCH POINTE**



Unfortunately, several incidents of speeding are reported to Board on a regular basis. We would like to remind members of the community – owners, renters and guests alike – to always be cautious, especially during the winter months, particularly when driving *through* Birch Pointe. This is particularly important at the Birch Circle curve and the Birch/Haley intersection stop. PLEASE observe the signage...  for the safety of both you and your neighbors.

The Board would also like to remind residents of the ice-melt buckets which are located by all building entrances. These are meant for residents to use whenever there is a particularly slippery entrance or bridge, or in the rare instances where our snow removal crew has not yet serviced a particular building. We will be upgrading the lids to these buckets in the next few weeks to make them easier to open.

We hope everyone will enjoy a festive and safe winter season.

## **FHA RE-CERTIFICATION APPROVED**



Birch Pointe has received word that it was approved for FHA re-certification! The HUD approval will now expire in three years instead of the earlier two, effective through 12-9-2022. This makes the community eligible for FHA-backed loans and thus more accessible to first-time and non-traditional home-buyers. It indicates that HUD has a favorable opinion of Birch Pointe, and its finances, general operation and governance. It is well worth noting that Birch Pointe is one of a very few condominium communities in the area to have such certification! The link for the renewal can be found at: <https://entp.hud.gov/idapp/html/condlook.cfm> , with the "Condo ID" being P007999.

# OTHER COMMUNITY REMINDERS AND REFERENCE INFO

## • DUMPSTERS ARE FOR HOUSEHOLD TRASH ...ONLY!



Please DO NOT leave trash on the outside of dumpsters or put mattresses, furniture, carpets, appliances, etc. in or beside the dumpsters.

### Private contractors are NOT permitted to dispose of materials in BP dumpsters!

Residents disregarding this warning will be assessed a fine in addition to the current \$175 special pick up fee charged by Waste Management. Several owners have been recently invoiced \$250 for such actions!

## • SMOKING POLICIES



Smoking is **prohibited** in all building common areas including hallways and staircases; light up only once outside. In addition, do not toss butts onto property or over balcony or deck railings as this can be a serious fire hazard; please dispose of them properly.

## • FIRE ALARM SYSTEMS (important!)



The fire alarm systems in the buildings (with the exception of 3300 and 3400 Haley Court) **DO NOT** automatically contact 911. It is an ALARM only, alerting you to check your immediate area and VACATE the building until cleared by Fire Department. Do not assume it is a FALSE ALARM!

## • PET WASTE and PET LEASHING



Cleaning up after your pet is expected and **mandated!** The fine for disregarding this rule is \$50 per occurrence. Please dispose of bagged pet waste properly; for convenience, pet waste baskets have been installed on Claremont Court and Diana Drive open space areas and also between 3700 and 3800 Haley Court. **All pets are to be leashed at all times; NO EXCEPTIONS!** If unleashed dogs are seen, animal control will be notified. This also applies to pets being left alone for extended periods of time on unit decks or balconies.

## • DISPOSAL OF RECYCLABLES



Remember that there is a recycle bin for community use located on Haley Court. This is a single-stream dumpster for the recycling of paper, cardboard, glass, allowable plastics, and aluminum. **Please do not "contaminate" these materials with plastic items other than those designated by numbers 1 to 7. This includes NO plastic grocery or trash bags, sheeting, foam cups, and packaging materials.** Your participation is most appreciated in keeping our community clean!

## • FIREPLACE SAFETY (especially for new owners and now that it's getting cooler!)



**Unless your fireplace has been repaired/rebuilt and undergone a "Level 2" inspection** (by order of the state Fire Marshall), it is **NOT** safe to use. Due to crucial safety concerns, ALL chimneys were capped! Maintenance will uncap them ONLY if documentation is provided indicating the fireplace has passed inspection. Use of such capped chimneys will result in almost immediate smoke build up in the unit which, no doubt, will lead to a 911 fire call. New owners, especially, are cautioned and should be made aware of their units' status by the previous owners.

# **BIRCH POINTE DIRECTORY / IMPORTANT NUMBERS**



## ➤ **GENERAL PROPERTY MANAGEMENT QUESTIONS**

Eric Kennedy – phone: (302) 685-4310; e-mail: [ekennedy@birchpointe.net](mailto:ekennedy@birchpointe.net)

## ➤ **MAINTENANCE ISSUES AND QUESTIONS**

Maintenance staff (Dennis, Eric, Jules) – e-mail: [maintenance@birchpointe.net](mailto:maintenance@birchpointe.net)

## ➤ **ACCOUNT STATEMENTS / HOA FEE / OR ACH QUESTIONS**

Monica Rieder – e-mail: [mrieder@birchpointe.net](mailto:mrieder@birchpointe.net)

## ➤ **BIRCH POINTE MAINTENANCE EMERGENCIES**

phone: 1-267-474-2907; e-mail: [maintenance@birchpointe.net](mailto:maintenance@birchpointe.net)

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## **December 2019 Board Meeting**

(held at Skyline Middle School library, 12/10/2019)

- Collections – Payments / Delinquencies
  - Collection on 7+ year old judgement
  - Promissory Note
- Financial Reports and Monthly Expenditures
- Real Estate Update – Units on Market / Units Sold
- Parking Enforcement Efforts
  - New Hang Tags for 2020
  - Hire to Patrol Community
- Employee Compensations for 2020
- Budget Draft for 2020
  - First Reading
    - HOA Fee Lowering
    - Comcast Revenue Share Income
    - One-Time Marketing Payment
    - End of M&T Loan Payments
    - Anticipated Capital Projects
  - Vote
    - Adjustment of mid-2020 HOA Fee
    - Proceed and/or Accept as Drafted
- Next Meeting Date, Adjournment



**Real Estate Status:** Online resources such as Realtor.com, Trulia, Zillow, Estately.com, etc. (since the last newsletter and info as of 12/16/2019)



(1) Units on market now:	1 on Haley Court	new listing
	1 on Birch Circle	new listing
	1 on Claremont Court	FSBO new listing (possibly under contract)
	1 on Diana Drive	under contract
(2) Units sold	2 on Birch Circle	SOLD 11-22-2019, 11-27-2019
	1 on Claremont Court	SOLD 11-22-2019

Even late into fall Birch Pointe properties are desirable and selling! Transfers have slowed somewhat from the quick pace of the summer but there have still been 25 re-certification fees in 2019 paid for DUCIOA documents through November.

When moving, PLEASE inform Treasurer Monica Rieder if you are on Birch Pointe's ACH program so that future automatic bank debits can be cancelled. Once DUCIOA forms are requested, any scheduled ACH draws should be discontinued if possible. Current owner monthly payments can be made at closing by check, still at the \$330 ACH discounted rate. Contact [mrieder@birchpointe.net](mailto:mrieder@birchpointe.net) if there are any questions or concerns.

Note also that **parking hang tags for units being sold are to be returned to Eric**, not handed to new owners directly or to real estate agents. Tag numbers are associated with specific vehicles for security and tracking purposes. If the existing protocol is not followed, confusion may well result regarding undocumented cars and their actual owners if the new information is not provided. **This procedure applies to units which are rentals: tenants moving out should do like-wise and turn over their tags.** Remember that replacement fees for reissue of a hang tag is \$50. Your cooperation is most appreciated!

**Notes:**

- Eric is the Birch Pointe real estate liaison and can provide many of the essential information and documents needed for property transfer – including completion of DUCIOA forms. **The fee for re-certification is \$50 starting in January of 2019.**
- **Birch Pointe has a policy regarding investors to protect the interests of ALL owners which must be disclosed to potential buyers, either directly by the seller or by his/her realtor. The document outlining this policy – which was established in 2013 – is available on our website.**

**Collections Report:**



(1) Total operating income posted in November:	\$ 91,825 <sup>1</sup>	in HOA fees
	\$ 100	2 DUCIOA re-certification fees

<sup>1</sup> Does not include \$6,780 in fees collected with July 6-month pre-pays attributable to each month; October saw another two unit owners who enrolled in the pre-payment option

(2) Three check bank deposits were made in November August totaling \$14,860.

(3a) Following a warning regarding imminent cable disconnect, \$2,000 was received from an owner in arrears. Note that continued non-payment and disregard of HOA fees is taken seriously and the Board is being more aggressive to insure compliance. Legal action is being viewed as a more frequent option for such cases, with any incurred fees associated therewith passed on to the respective owners.

(3b) Another owner was referred to our lawyer after the third NSF was reported with an attempted ACH draw.

(3c) Some larger amounts received for payments toward delinquencies: 1 each at \$1,050, \$990, \$900, \$700 and \$550

(4) As a result of a judgement filed back in 2011 (by then Board member Sandy Martin), Birch Pointe was able to secure a sizable promissory note from a long ago former owner who was applying for a mortgage. With such a lien in place, monies owed the Association had to be addressed in an acceptable form before any new loans could be secured. Although this delinquency had been written off as bad debt, such credit toward repayment will be used to offset the debt.

**THE BIRCH POINTE BOARD TAKES LONG TERM DELINQUENCIES SERIOUSLY  
AND ARE REFERRING THEM TO OUR LEGAL COUNSEL!**

- REMINDER:**
- **MONTHLY HOA FEES SINCE 2017 ARE \$350**
  - **OWNERS WHO ARE ENROLLED IN ACH (OR OTHER E-FUND TRANSFER) RECEIVE A \$20/MONTH DISCOUNT**
  - **PAYMENTS MADE BY CHECK MUST BE REMITTED FOR THE FULL \$350**

ACH/FIS enrollment is steady at 84.7% (249 units)

**Notes:**

- Owners in financial difficulty should speak with a Board member to discuss their situation and arrange a payment plan/schedule to address ways of clearing up past balances.
- A Birch Pointe ACH enrollment form is attached for convenience. Sign up and receive a \$20 discount on your monthly dues. Contact Monica for more info at [mrieder@birchpointe.net](mailto:mrieder@birchpointe.net).

**Cable service will be disconnected to units in significant arrears without a Board-approved payment plan in place.**



**Treasurer's Report:**

(1) Total operating costs for November:	\$ 68,373	in	utilities; maintenance/trash; Comcast; loan; accountant; pest control; wages
(2) Major expenditures for November:	\$ 4,500	for	landscaping installment; tree trimming
(other than normal utilities)	\$ 4,694		2 months' waste removal payments
	\$ 2,450		cleaning services
	\$ 1,767		maintenance supplies
	\$ 1,035		ice melt bucket supply and delivery
	\$ 650		fire alarm monitoring and maintenance
	\$ 535		contractor for water leak
AMEX discount/rebate posted to November =	\$508		
(3) Capital improvement expenditures:	\$ 13,213		balcony rebuild

# November 2019 Financials

## ▶ Operating Account

<b>Beginning Balance:</b>		<b>\$ 91,423.47</b>
<b>Inflow – Operating Income:</b>	\$	91,925.00
<b>Inflow – One-time Transfers (from ORA*):</b>	\$	0.00
<b>Outflow – Operating Expenditure:</b>	\$	68,373.00
<b>Outflow – Capital Expenditure:</b>	\$	13,213.00
<b>Outflow – One-Time Transfer (to ORA*):</b>	\$	0.00
<b>Ending Balance:</b>		<b>\$ <u>101,762.47</u></b>

## ▶ Operational Reserve Account (\*ORA)

<b>Beginning Balance:</b>		<b>\$ 20,432.89</b>
<b>Inflow – Periodic Transfers:</b>	\$	0.00
<b>Inflow – Interest:</b>	\$	0.84
<b>Outflow – Periodic Transfers*:</b>	\$	0.00
<b>Ending Balance:</b>		<b>\$ <u>20,433.73</u></b>

## ▶ Reserve Account

<b>Beginning Balance:</b>		<b>\$ 256,947.94</b>
<b>Inflow – Periodic Transfers:</b>	\$	0.00
<b>Inflow – Interest:</b>	\$	422.72
<b>Outflow – Periodic Transfers:</b>	\$	0.00
<b>Outflow – One-time Transfers:</b>	\$	0.00
<b>Ending Balance:</b>		<b>\$ <u>257,370.66</u></b>



# 2020 BUDGET DRAFT

✓ approved and passed 12-10-2019

## 2020 DRAFT BUDGET TOTALS

<b>Operating Income</b>			
	Condo Fees (Jan to Jun)	100% compliance @ \$350/mo.	\$617,400.00
	Condo Fees (Jul to Dec)	100% compliance @ \$320/mo.	\$564,480.00
	Delinquencies	~ 2% of units	-\$23,640.00
	ACH enrollment discount	85% enrollment (250 units/owners)	-\$62,500.00
	Back HOA fee recovery		\$12,500.00
	<b>Condo Fee Total</b>		<b>\$1,108,240.00</b>
	Interest Income		\$2,000.00
	Re-certifications income		\$1,000.00
	Investor Fee Income		\$2,000.00
	Comcast Revenue	revenue sharing	\$20,000.00
	<b>Total Operating Income</b>		<b>\$1,133,240.00</b>
<b>Expenses</b>			
	Employee Salaries	includes new "Parking Enforcement" Hire	\$134,000.00
	Employee Benefits		\$20,000.00
	Professional Development		\$12,000.00
	Professional Development		\$0.00
	Employer FICA		\$12,000.00
	Income Taxes (federal)		\$500.00
	Professional Fees		
	Accountant		\$16,300.00
	Lawyer / Legal for Collections / Consults etc.		\$7,500.00
	Auditors		\$1,000.00
	Bank Fees		\$1,700.00
	Payroll Fees		\$150.00
	Utilities		
	Comcast (January to May only)		\$60,000.00
	Insurance		\$96,000.00
	Water		\$77,000.00
	Sewer		\$47,000.00
	Electric		\$31,000.00
	Waste Removal		\$29,000.00
	Advanced Security		\$1,000.00
	Water (3300/3400 Haley Sprinkler)		\$3,000.00
	Loans		
	M&T Bank (January to Pay-Off in June)		\$116,000.00
	Maintenance		
	Snow Removal		\$45,000.00
	Maintenance Supplies		\$30,500.00
	Landscaping		\$52,500.00
	Cleaning		\$22,000.00
	Carpet Cleaning		\$7,000.00
	Pest Control - Monthly		\$6,600.00
	Pest Control - Spring/Incidental		\$5,000.00
	Snow Salt Delivery		\$1,500.00
	Fire System Maintenance / Cell Communicators		\$10,500.00
	Miscellaneous Contractors		\$5,000.00
	Summer Equipment Rental (Cherry Picker)		\$5,000.00
12-17-2019	Dryer Vent Replacement Reimbursement		\$4,200.00
	Amex Cash Discount		-\$4,000.00



	<b>Office Expenses</b>			
		Phone		\$3,000.00
		Mileage Reimbursements		\$200.00
		Accounting Software / Dues / Subscriptions / Promotional / Advertising / Contributions		\$2,500.00
	<b>Petty Cash</b>			
		Office Supplies, Postage, Printing, & Misc		\$750.00
	<b>Total Operating Expenses</b>			<b>\$842,400.00</b>
	<b>Operating Profit / Loss</b>			<b>\$290,840.00</b>
	<b>Capital Expenses</b>			
		10 Blacony Rebuilds / Permits		\$196,000.00
		Seal Coating		\$15,000.00
		10 Carpet Replacements		\$25,000.00
		Concrete Repair Work		\$15,000.00
		Unplanned Work: Water Intrusion, Water Lines		\$30,000.00
		Bridge Light Replacements		\$16,000.00
		Water Erosion at 400HC		tbd
	<b>Total CAP Expenses</b>			<b>\$297,000.00</b>
	<b>Net Profit/Loss</b>			<b>-\$6,160.00</b>
				<b>\$20,000.00</b>
				<b>~ \$80,000.00</b>
	<b>Contributions</b>		rough estimate of carry-overs	<b>\$100,000.00</b>
	Additional Capital Expenses to be approved throughout the year			
	Available CapEx budget for 2020: \$290,000 in net profit, \$20,000 from OR and \$30,000 from OF carry-over			
	Allocated CapEx budget for 2020: \$300,000			

# BIRCH POINTE CONDOMINIUM ASSOCIATION CENSUS FORM

P.O. Box 1195 Hockessin, DE 19707

Unit Address: \_\_\_\_\_ Number of Persons Residing in Unit: \_\_\_\_\_

Legal Owner's Name: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Legal Owner's Mortgage Company: \_\_\_\_\_

Legal Owner's Vehicle Insurance Company: \_\_\_\_\_

Legal Owner's Condo/Home Owner's Insurance Company: \_\_\_\_\_

Legal Owner's Phone Number(s): \_\_\_\_\_  
Home Work / Mobile

If Non-Resident, Mailing Address: \_\_\_\_\_

Tenant(s) Full Name(s) and Phone Numbers:

\_\_\_\_\_  
Name Home Number Work / Mobile

\_\_\_\_\_  
Name Home Number Work / Mobile

Emergency Contact Info: \_\_\_\_\_  
Name Phone

Vehicle(s) Owned by Occupant(s):

\_\_\_\_\_  
Year Make / Model / Color State & License Plate Number

\_\_\_\_\_  
Year Make / Model / Color State & License Plate Number

Pet(s) in Unit: \_\_\_\_\_  
Size / Breed

**\*\* NOTE: Renters are NOT permitted to have pets/animals while residing in Birch Pointe \*\***

Are you currently in possession of the Rules and Regulations of the Birch Pointe Condominiums? Yes / No

**If a unit is a rental, it is the duty and responsibility of the owner/landlord to notify the Management/Board and advise all tenants of the Rules, Regulations and Code of Conduct of Birch Pointe Condominiums**

I understand that the above information is for the sole use of Birch Pointe Condominium Association and its authorized agents in maintaining the community and providing emergency services. I also acknowledge that I must notify Birch Pointe Management if there are any changes in this information and/or if my unit is rented or sold.

## Direct Payment Plan Overview

### A smart and easy way to automate your payment with Direct Payment.

Direct Payment is a repetitive payment between businesses and consumers that enables the service provider to deduct scheduled payments from the customer's checking or savings account. It's a dependable, flexible, and convenient process that does not require the consumer to use a computer or access the internet.



### With Direct Payment, you will:

- Save time by having one less check to write
- Reduce postage costs with one less bill to mail
- Eliminate late fees or charges by making payment(s) automatically

### How does Direct Payment work?

You (the customer) will authorize regularly scheduled payments to be deducted from your checking or savings account by completing and submitting an authorization form. Payments are originated one business day before the specified day that they are due. Direct Payment is usually a repetitive payment that will remain in effect until the customer terminates the authorization. It's just that simple!

### What is ACH?

The Automated ClearingHouse (ACH) Network is a nationwide system that processes electronic payments on behalf of depository financial institutions. The ACH Network was established in the 1970s as an electronic substitute for recurring check disbursements and collections. The ACH system is designed to serve all depository financial institutions, regardless of size, on an equitable basis. The system uses batch processing which costs less than on-line, real time processing systems. This feature makes ACH payments less expensive than other electronic payment methods such as wire transfers, and allows many financial institutions to participate.

# Direct Payment Plan Authorization Form

1. Mark the box of the type of account from which payment will be deducted, either a checking or savings account.
2. Fill in your name, unit number/address, financial institution information, and date.
3. Indicate what day of the month funds should be withdrawn and if this is for a monthly or 6-month pre-pay draw.
4. Attach a voided check for verification of all financial institution information.
5. **Be sure to sign the form!**

## AUTHORIZATION FOR DIRECT PAYMENT

I authorize Birch Pointe Condominium Association to initiate electronic debit entries to my:  
**(check ONE)**

checking account                      OR                       savings account

for payment of my condominium fee(s) on or about the day of the month selected below, as well as any late fees, fines or assessments that are assessed (returned ACH fee, census non-completion fine, general fines, etc.).  
This authority will remain in effect until I have cancelled it *in writing*.

Processing date **(check ONE)**                       1<sup>st</sup> of month                       11<sup>th</sup> of month                       21<sup>st</sup> of month

Processing schedule **(check ONE)**                       monthly                       6-month pre-pay

Starting month for regular HOA payments

Unit ID (e.g. 5001BC, 4005HC, 5203DD)

Financial Institution / Bank Name

**(Please Print Neatly!)**

Account Number at Financial Institution

Financial Institution Routing/Transit Number

Financial Institution City and State

Signature \_\_\_\_\_ Date

**PLEASE KEEP A COPY OF THE AUTHORIZATION FOR YOUR RECORDS**

Please mail to: Birch Pointe Condominium Association, P.O. Box 1195, Hockessin, DE 19707

**Attach Voided Check Here**